

**Proposed Resolution for Consideration
At PACT Board Meeting on August 20, 2014 Meeting
Topic: Actuarial Assumptions**

WHEREAS, the Legislature has created the Wallace-Folsom College Savings Investment Plan pursuant to Title 16, Chapter 33C of the *Code of Alabama 1975*; and,

WHEREAS, the Board of Trustees ("Board") is designated as an agent of the State of Alabama and charged with the oversight of the PACT Trust Fund by Section 16-33C-4, with powers enumerated in Section 16-33C-5(1)-(12); and,

WHEREAS, annually the Board reviews various actuarial assumptions required for the creation of the September report of the PACT Trust Fund; now,

THEREFORE BE IT RESOLVED, that upon consultation with the Board's actuary, the Board approves the following actuarial assumptions to be used for the September 2014 report of the PACT Trust Fund:

1. Tuition Increases: 0.00%

2. Investment Return and Discount Rates for Fiscal Year Ending:

2014	1.50%
2015	1.00%
2016	1.75%
2017	2.25%

3. Enrollment of PACT Beneficiaries:

<u>College Type</u>	<u>Percent Enrolled</u>
Private/Out of State	17.00%
Community College	15.00%
Alabama/Auburn Systems	53.00%
Other Alabama Universities	15.00%

4. Contract Cancellations:

Age 0 – 9 th Grade: 0%	
10 th Grade:	1%
11 th Grade:	1%
12 th Grade:	1%

5. Payment of Tuition and Qualified Fees:

- a. Amounts: Published Fall 2010 Tuition and Fees
- b. Utilization: 128 hours of either 128 or 135 hours of contract benefits
- c. Utilization: 13 hours/semester for 8 semesters; 11 hours/semester in the 9th semester
- d. Payment: 45% on November 15; 45% on March 15; 10% on August 15.

6. Administrative Expenses:

2015-2016	\$950,000
2017-2020	\$925,000
2021-2025	\$800,000
2026	\$700,000
2027	\$600,000
2028	\$500,000
2029	\$400,000
2030	\$300,000
2031	\$200,000

7. Education Trust Fund Payments: 50% on November 1; 50% on March 1.

8. Deaths and Disabilities: Not used.